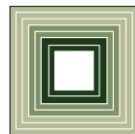


Joint Appropriations Committee on Health and Human Services

Committee Schedule and Budget Overview

**Susan Jacobs
Fiscal Research Division**

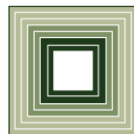
February 10, 2015



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Joint Appropriations Committee on Health and Human Services

**FY 2015-17 Session Strategy:
Shifting from “*Paying*” to “*Investing*”**



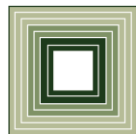
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Joint Appropriations Committee on Health and Human Services Committee Presentation Plan

Session Strategy: Shifting from “Paying” to “Investing”

“America spends twice as much on health care than any other nation, but we don’t have the healthiest people....research indicates that spending on health care to treat people may actually come at the expense of investing in public health programs meant to keep people from getting sick to start with.”

Source: Robert Wood Johnson Foundation “Geographic Variations in Public Health Spending: Correlates and Consequences” – October 2009



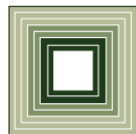
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Session Strategy: Shifting from “Paying” to “Investing”

- North Carolina ranked 14th nationally in overall per capita health care expenditures in 2009.
- North Carolina’s spending for public health expenditures was \$51 compared to the national average of \$94 per capita in 2009.
- North Carolina ranked 43rd in the country in public health spending at \$50 per capita compared to the national average of \$90 in 2014.
- North Carolina’s overall health outcome ranking in 2014 is 37th in the nation, and was 35th in 2013.

Source: <http://kff.org/other/state-indicator/health-spending-per-capita/>

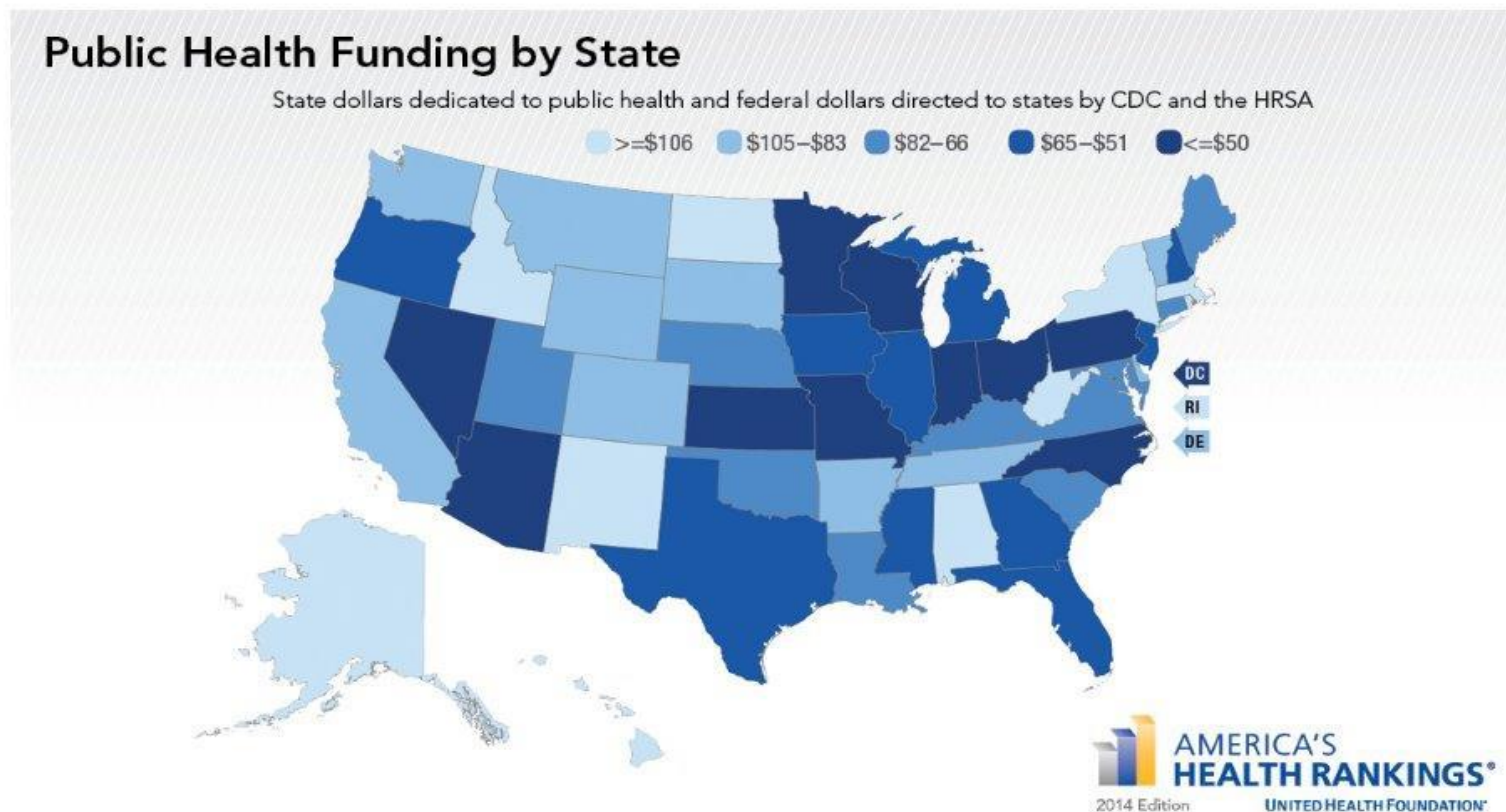
Source: http://americashealthrankings.org/ALL/PH_Spending



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Session Strategy: Shifting from “Paying” to “Investing”



Joint Appropriations Committee on Health and Human Services Committee Presentation Plan

Session Strategy: Shifting from “*Paying*” to “*Investing*”

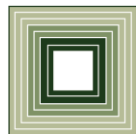
Key Question for Any Program:

What outcome will you *require* for the investment you are making?

Consider the following:

- Are resources being targeted for the right purpose/program? Does that purpose “fit” with the overall goal of the agency?
- Does the program produce positive, evidence-based outcomes?
- Is there an alternative that would yield a better result for the state overall?
- Is the program adequately or inadequately funded?
- Other committee requirements?

Where to Start? Focus for Long Session – Children (Birth -5)



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Joint Appropriations Committee on Health and Human Services Committee Presentation Plan

Session Strategy: Shifting from “Paying” to “Investing”

Planned Meeting Topics

- Organizational Meeting/DHHS Overview
- Secretary Wos and DHHS Staff – Goals for FY 2015-17
- Implementation Status of Historical Budget Items and Legislation
- Program Evaluation Division Report – “DHHS Should Integrate Substance Abuse Treatment Facilities into the Community-Based System and Improve Performance Management”
- Program Evaluation Division Report – “Revising State Child Support Incentive System Could Promote Improved Performance of County Program”
- School of Public Health – North Carolina Health Outcome Comparisons (All Populations)
- School of Public Health – North Carolina Health Outcome Comparisons for Children (Ages 0 – 5)
- School of Public Health – North Carolina Health Outcome Comparisons (Birth Weight/Infant Mortality)
- Evidence-Based Policy Making – Pew-MacArthur Results First Initiative
- “How North Carolina Pays Providers” – Fiscal Research Division
- Medical Payments for Pregnant Women and Infants/Cost Analysis of High Risk Deliveries/Preterm Births

Joint Appropriations Committee on Health and Human Services Committee Presentation Plan

Session Strategy: Shifting from “Paying” to “Investing”

Planned Meeting Topics

- North Carolina Prenatal/Perinatal Programs and Programs Focused on Reducing Infant Mortality
- North Carolina Public Health Programs for Children (Ages 0 – 5)
- “How Can North Carolina Improve Birth Outcomes Through Evidence-Based Practices” – Guest Speaker
- Proven Successes in Improving the Health of Children – Guest Speaker
- Staff Wrap-Up and Committee Discussion
- North Carolina Family Support Programs for Children (Ages 0 – 5) (Approximately 5 Meetings)
- Staff Wrap-Up and Committee Discussion

Joint Appropriations Committee on Health and Human Services

Budget Overview



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Department of Health and Human Services

Statutory Authority

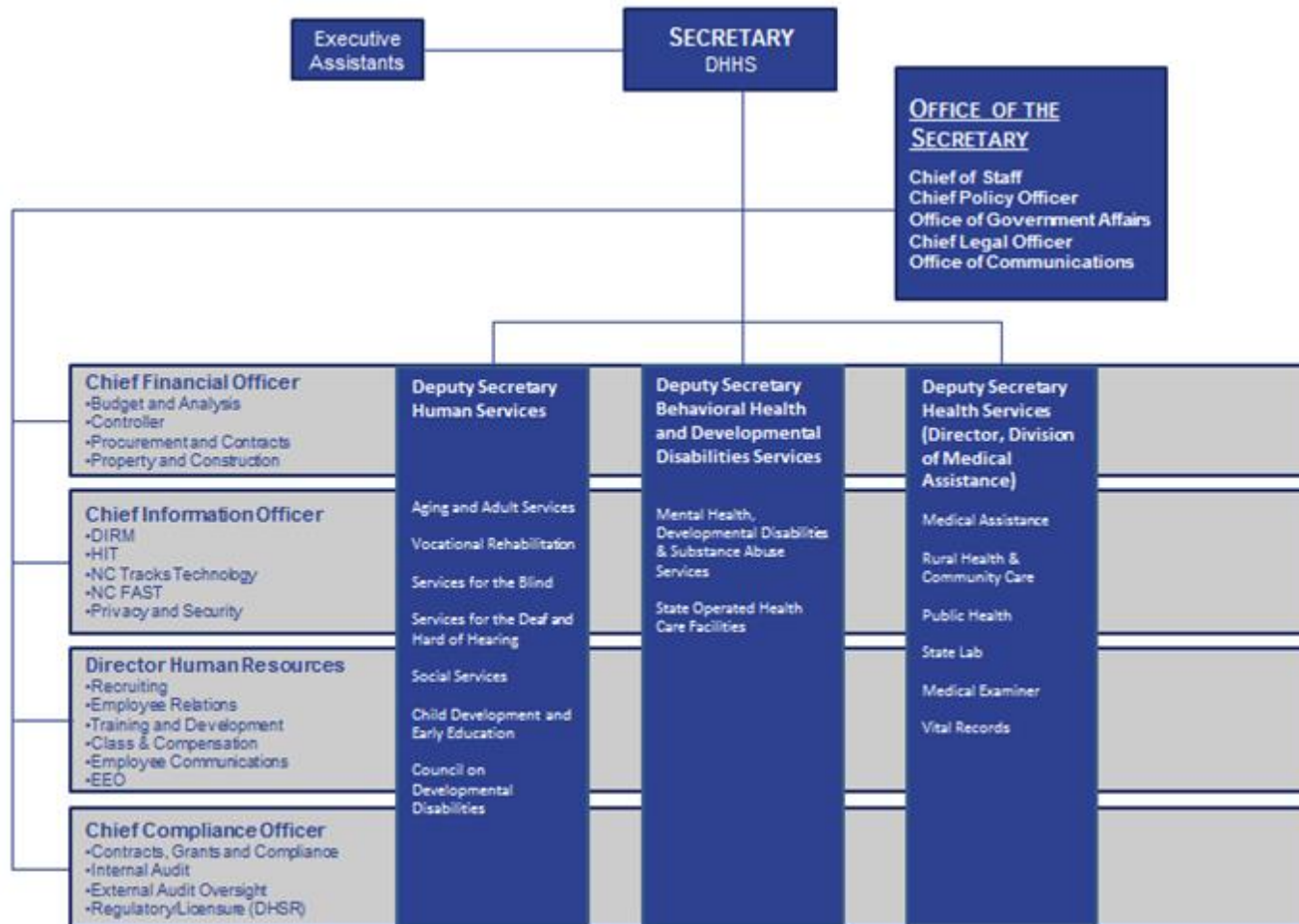
G.S. 143B-137.1. Department of Health and Human Services – duties.

It shall be the duty of the Department to:

- Provide the necessary management, development of policy, and establishment and enforcement of standards for the provisions of services in the fields of public and mental health and rehabilitation.
- With the intent to assist all citizens – as individuals, families, and communities – to achieve and maintain an adequate level of health, social and economic well being, and dignity.
- Whenever possible, the Department shall emphasize preventive measures to avoid or to reduce the need for costly emergency treatments that often result from lack of forethought.
- **The Department shall establish priorities to eliminate those excessive expenses incurred by the State for lack of adequate funding or careful planning of preventive measures. (1997 443, s. 11A.3.)**

Department of Health and Human Services

G.S. 143B-138.1



Department of Health and Human Services

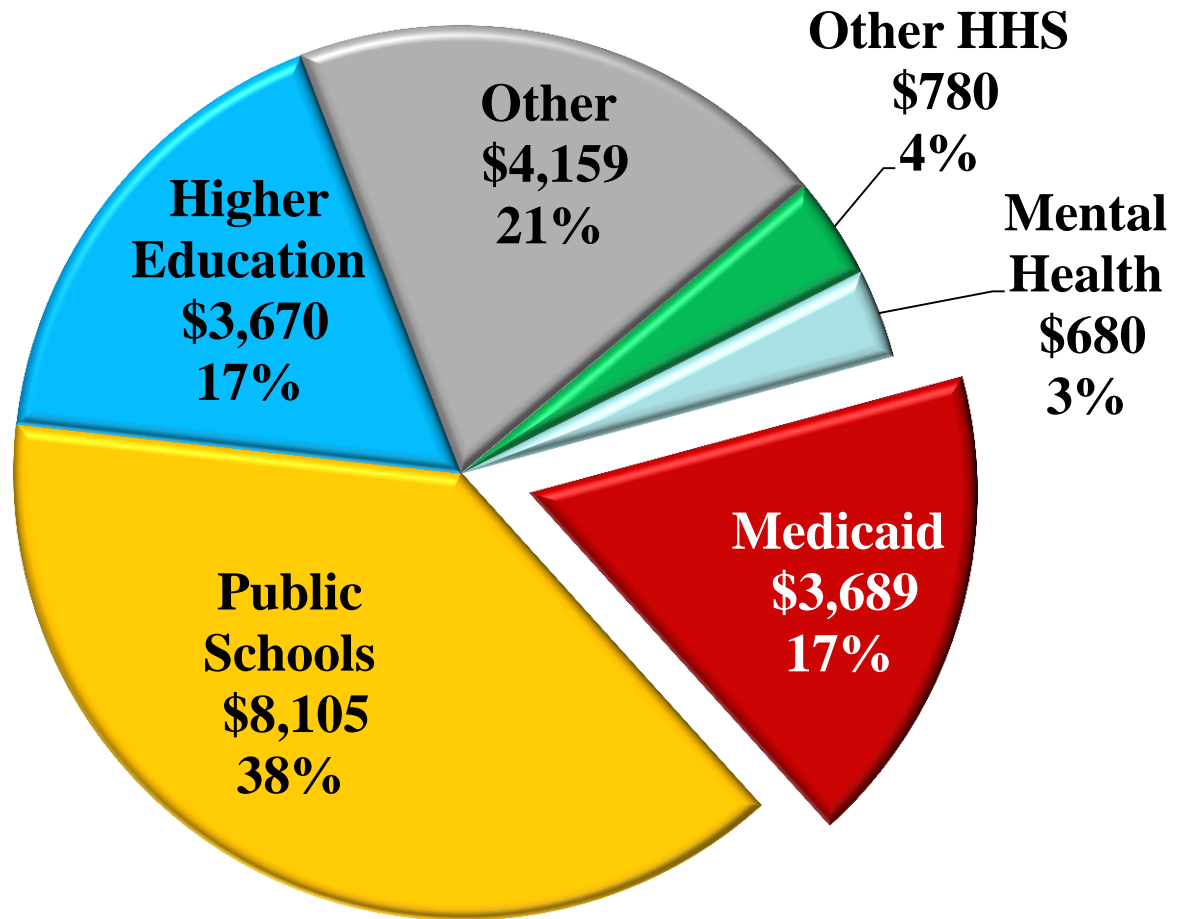
2014-15 Certified General Fund Budget

Subcommittee/Area	General Fund Appropriation	% of Total
Education	11,775,270,816	56%
Health & Human Services	5,148,161,048	24%
Justice & Public Safety	2,366,128,478	11%
Natural & Economic Resources	407,326,212	2%
General Government	427,467,752	2%
Statewide Reserves and Capital	957,755,839	5%
TOTAL	\$21,082,110,145	100.00%

Department of Health and Human Services 2014-15 Certified General Fund Budget

**General Fund
Appropriations
FY 2014-15**

**Total: \$21,082.1
million**



Department of Health and Human Services

2014-15 Certified General Fund Budget

<u>Health and Human Services</u>	FY 2014-15	% of Total
Blind and Deaf / Hard of Hearing Services	8,178,618	0.16%
Health Service Regulation	16,123,479	0.31%
Vocational Rehabilitation	38,197,833	0.74%
NC Health Choice	41,933,972	0.81%
Aging and Adult Services	53,472,792	1.04%
Central Management and Support	72,904,800	1.42%
Public Health	136,336,044	2.65%
Social Services	188,765,287	3.67%
Child Development	223,636,354	4.34%
Mental Health, Dev. Disabilities and Sub. Abuse	680,063,746	13.21%
Medical Assistance	3,688,548,123	71.65%
<u>Total Health and Human Services</u>	5,148,161,048	100%

Department of Health and Human Services

2014-15 Total Certified Budget

<u>Health and Human Services</u>	FY 2014-15	% of Total
Blind and Deaf / Hard of Hearing Services	32,639,127	0.17%
Health Service Regulation	65,399,275	0.34%
Aging and Adult Services	115,311,763	0.61%
Vocational Rehabilitation	138,503,086	0.73%
Central Management and Support	152,152,679	0.80%
NC Health Choice	174,711,677	0.92%
Child Development	667,998,042	3.52%
Public Health	827,356,675	4.36%
Mental Health, Dev. Disabilities and Sub. Abuse	1,364,706,219	7.19%
Social Services	1,668,936,436	8.79%
Medical Assistance	13,769,876,232	72.56%
<u>Total Health and Human Services</u>	18,977,591,211	100%

Department of Health and Human Services

2013-14 Legislative Budget Adjustments

	Governor's	Recurring	Nonrecurring	Legislative	FTE	Revised	%
FY 2013-14	Continuation Budget	Adjustments	Adjustments	Net Changes	Changes	Appropriation 2013-14	Change
Central Management and Support	54,028,354	14,840,375	4,917,400	19,757,775	(6.00)	73,786,129	36.57%
Aging and Adult Services	54,443,196	(300,855)	0	(300,855)	0	54,142,341	-0.55%
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0	0	8,178,618	0.00%
Child Development	259,254,083	(1,590,625)	(3,348,849)	(4,939,474)	(14.00)	254,314,609	-1.91%
Health Service Regulation	16,761,992	(365,935)	0	(365,935)	10.00	16,396,057	-2.18%
Medical Assistance	3,069,576,810	391,202,327	1,170,982	392,373,309	0	3,461,950,119	12.78%
Mental Health, Dev. Disabilities and Sub. Abuse	706,797,747	(18,660,348)	11,398,203	(7,262,145)	0	699,535,602	-1.03%
NC Health Choice	80,131,026	(12,181,866)	0	(12,181,866)	0	67,949,160	-15.20%
Public Health	156,784,502	(6,605,500)	(6,024,915)	(12,630,415)	(15.00)	144,154,087	-8.06%
Social Services	170,629,904	(847,818)	4,826,346	3,978,528	0	174,608,432	2.33%
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0	38,773,169	-1.30%
Total Health and Human Services	4,615,870,375	364,978,781	12,939,167	377,917,948	(25.00)	4,993,788,323	8.19%

	Governor's	Recurring	Nonrecurring	Legislative	FTE	Revised	%
FY 2014-15	Continuation Budget	Adjustments	Adjustments	Net Changes	Changes	Appropriation 2014-15	Change
Central Management and Support	54,718,515	20,400,758	1,182,055	21,582,813	(6.00)	76,301,328	39.44%
Aging and Adult Services	54,443,196	(100,855)	0	(100,855)	0	54,342,341	-0.19%
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	-	0	8,178,618	0.00%
Child Development	259,254,083	(1,590,625)	(3,348,849)	(4,939,474)	(14.00)	254,314,609	-1.91%
Health Service Regulation	16,761,992	(350,513)	0	(350,513)	10.00	16,411,479	-2.09%
Medical Assistance	3,083,576,810	524,542,281	0	524,542,281	0	3,608,119,091	17.01%
Mental Health, Dev. Disabilities and Sub. Abuse	706,797,747	(18,660,348)	16,848,589	(1,811,759)	0	704,985,988	-0.26%
NC Health Choice	80,131,026	(22,383,093)	0	(22,383,093)	0	57,747,933	-27.93%
Public Health	156,784,502	(16,818,000)	1,975,085	(14,842,915)	(175.00)	141,941,587	-9.47%
Social Services	170,629,904	1,102,182	4,826,346	5,928,528	0	176,558,432	3.47%
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0	38,773,169	-1.30%
Total Health and Human Services	4,630,560,536	485,630,813	21,483,226	507,114,039	(185.00)	5,137,674,575	10.95%

Department of Health and Human Services

2014-15 Legislative Budget Adjustments

	Certified Budget	Recurring Adjustments	Nonrecurring Adjustments	Legislative Net Changes	FTE Changes	Revised Appropriation 2014-15	% Change
Central Admin. and Support ¹	76,301,328	(5,396,528)	2,000,000	(3,396,528)	1.00	72,904,800	-4.45%
Aging and Adult Services	54,342,341	(969,549)	100,000	(869,549)	0	53,472,792	-1.60%
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0	0	8,178,618	0.00%
Child Development ²	254,314,609	(1,893,496)	(28,784,759)	(30,678,255)	-1	223,636,354	-12.06%
Health Service Regulation	16,411,479	(288,000)	0	(288,000)	0	16,123,479	-1.75%
Medical Assistance ³	3,608,119,091	(56,536,746)	136,965,778	80,429,032	0	3,688,548,123	2.23%
Mental Health, Dev. Disabilities and Sub. Abuse	704,985,988	(8,323,653)	(16,598,589)	(24,922,242)	-7	680,063,746	-3.54%
NC Health Choice ⁴	57,747,933	(15,813,961)	0	(15,813,961)	0	41,933,972	-27.38%
Public Health	141,941,587	176,620	(5,782,163)	(5,605,543)	(7.00)	136,336,044	-3.95%
Social Services	176,558,432	11,081,105	1,125,750	12,206,855	9.00	188,765,287	6.91%
Vocational Rehabilitation	38,773,169	(575,336)	0	(575,336)	(11.95)	38,197,833	-1.48%
Total Health and Human Services	5,137,674,575	(78,539,544)	\$ 89,026,017	10,486,473	(16.95)	5,148,161,048	0.20%

1-Department wide reduction of \$16 million included in this budget.

2-Federal funds used to offset \$33.8 million in general funds.

3-Increase is due to additional funds for FY 13-14 shortfall.

4-Reduction based primarily on moving children from Health Choice to Medicaid.

Questions?

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<http://www.ncleg.net/FiscalResearch/>